

HOUSE BILL 803

C3
HB 1538/09 – HGO

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By: Delegates Rudolph and Kullen, Kullen, Benson, Donoghue, Elliott, Hammen, Hubbard, Kach, Kipke, Krebs, Morhaim, Nathan-Pulliam, Oaks, Pena-Melnyk, Pendergrass, Reznik, Riley, Tarrant, and V. Turner

Introduced and read first time: February 9, 2010
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 22, 2010

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – High Deductible Plans and Limited Benefit Plans for**
3 **Uninsured Individuals – Pilot Project**

4 FOR the purpose of authorizing ~~a nonprofit health service plan~~ carriers to limit the
5 issuance of a certain high deductible health plan to certain uninsured
6 individuals who are residents of the State under certain circumstances;
7 authorizing ~~a nonprofit health service plan~~ carriers to issue a certain limited
8 benefit health insurance contract to certain uninsured individuals who are
9 residents of the State under certain circumstances; requiring a limited benefit
10 health insurance contract to comply with certain requirements applicable to a
11 certain health benefit plan and to comply with certain provisions of law;
12 requiring ~~a nonprofit health service plan~~ carriers to make a certain disclosure
13 about a certain limited benefit health insurance contract in a certain manner;
14 requiring the Maryland Insurance Administration, in consultation with ~~a~~
15 ~~certain nonprofit health service plan~~ certain carriers, to report certain
16 information to the Governor and certain legislative committees on or before a
17 certain date; requiring the Administration to monitor certain federal legislation
18 and, under certain circumstances, to notify the Department of Legislative
19 Services within a certain number of days after the date a certain requirement
20 becomes effective; providing that this Act shall be abrogated and of no further
21 force and effect on a certain date under certain circumstances; defining certain
22 terms; providing for the applicability of this Act; providing for the termination

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



of this Act, subject to a certain provision of this Act; and generally relating to high deductible health plans and limited benefit health insurance contracts offered by ~~nonprofit health service plans~~ carriers to certain uninsured individuals ~~who are residents of certain counties~~ through a certain pilot project.

BY adding to

Article – Insurance

Section ~~14-128~~ 15-1107

Annotated Code of Maryland

(2006 Replacement Volume and 2009 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

~~14-128.~~ 15-1107.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CARRIER” MEANS:

(I) AN INSURER; OR

(II) A NONPROFIT HEALTH SERVICE PLAN.

~~(2)~~ (3) “EVIDENCE OF INDIVIDUAL INSURABILITY” MEANS MEDICAL OR OTHER INFORMATION THAT INDICATES HEALTH STATUS AND THAT IS USED TO DETERMINE WHETHER COVERAGE OF AN INDIVIDUAL IS TO BE:

(I) ISSUED OR DENIED; OR

(II) ISSUED WITH OR WITHOUT AN EXCLUSIONARY RIDER.

~~(3)~~ (4) “HEALTH BENEFIT PLAN” HAS THE MEANING STATED IN § 15-1301 OF THIS ARTICLE.

~~(4)~~ (5) “HIGH DEDUCTIBLE HEALTH PLAN” MEANS AN INDIVIDUAL HEALTH INSURANCE CONTRACT ~~THAT SATISFIES THAT:~~

(I) REQUIRES AN ANNUAL DEDUCTIBLE OF AT LEAST \$10,000; AND

(II) DOES NOT SATISFY THE REQUIREMENTS SET FORTH IN § 223 OF THE INTERNAL REVENUE CODE.

1 ~~(5)~~ (6) “INDIVIDUAL HEALTH INSURANCE CONTRACT” MEANS A
2 HEALTH BENEFIT PLAN THAT IS ISSUED OR DELIVERED IN THE STATE TO A
3 QUALIFYING INDIVIDUAL WITHOUT EVIDENCE OF INDIVIDUAL INSURABILITY.

4 ~~(6)~~ (7) “LIMITED BENEFIT HEALTH INSURANCE CONTRACT”
5 MEANS AN INDIVIDUAL HEALTH INSURANCE CONTRACT THAT PROVIDES
6 HEALTH INSURANCE BENEFITS, BUT IS NOT REQUIRED TO PROVIDE ALL THE
7 BENEFITS REQUIRED UNDER TITLE 15, SUBTITLES 7 AND 8 OF THIS ARTICLE.

8 (8) “PILOT PROJECT” MEANS A PROJECT OF LIMITED DURATION
9 THAT IS DESIGNED TO EXPAND HEALTH CARE COVERAGE IN SELECTED
10 JURISDICTIONS OF THE STATE.

11 ~~(7)~~ (9) “QUALIFYING INDIVIDUAL” MEANS AN INDIVIDUAL
12 WHO:

13 (I) IS A RESIDENT OF ~~THE STATE~~ A JURISDICTION OF THE
14 STATE SELECTED TO PARTICIPATE IN THE PILOT PROJECT;

15 (II) DOES NOT QUALIFY FOR:

16 1. A PUBLIC OR PRIVATE HEALTH BENEFIT PLAN;
17 2. AN EMPLOYER-SPONSORED HEALTH BENEFIT
18 PLAN;

19 3. MEDICARE;

20 4. MEDICAID; OR

21 5. TRICARE; AND

22 (III) HAS BEEN UNINSURED FOR AT LEAST 12 MONTHS
23 IMMEDIATELY BEFORE THE DATE THE INDIVIDUAL APPLIES FOR COVERAGE
24 UNDER:

25 1. A HIGH DEDUCTIBLE HEALTH PLAN; OR

26 2. A LIMITED BENEFIT HEALTH INSURANCE
27 CONTRACT.

28 (B) ~~A NONPROFIT HEALTH SERVICE PLAN CARRIER~~ CARRIER MAY LIMIT THE
29 ISSUANCE OF A HIGH DEDUCTIBLE PLAN TO:

1 (1) QUALIFYING INDIVIDUALS; OR

2 (2) QUALIFYING INDIVIDUALS AND THEIR FAMILY MEMBERS.

3 (C) (1) A LIMITED BENEFIT HEALTH INSURANCE CONTRACT MAY BE
4 ISSUED BY A ~~NONPROFIT HEALTH SERVICE PLAN CARRIER~~ CARRIER IF THE LIMITED
5 BENEFIT HEALTH INSURANCE CONTRACT IS ISSUED TO PROVIDE HEALTH
6 COVERAGE ONLY FOR:

7 (I) QUALIFYING INDIVIDUALS; OR

8 (II) QUALIFYING INDIVIDUALS AND THEIR FAMILY
9 MEMBERS.

10 (2) A LIMITED BENEFIT HEALTH INSURANCE CONTRACT SHALL
11 COMPLY WITH ALL REQUIREMENTS APPLICABLE TO A HEALTH BENEFIT PLAN
12 ISSUED BY A ~~NONPROFIT HEALTH SERVICE PLAN CARRIER~~ CARRIER EXCEPT THE
13 PROVISIONS OF ~~TITLE 15, SUBTITLES 7 AND 8 OF THIS ARTICLE~~ TITLE.

14 (3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, A
15 LIMITED BENEFIT HEALTH INSURANCE CONTRACT SHALL:

16 (I) COMPLY WITH §§ 15-802, 15-812, 15-815, 15-830,
17 15-831, 15-832, AND 15-833 OF THIS ~~ARTICLE~~ TITLE; AND

18 (II) INCLUDE DISCOUNTED FEES FOR HEALTH CARE
19 SERVICES THAT ARE NOT COVERED BENEFITS.

20 (4) A ~~NONPROFIT HEALTH SERVICE PLAN CARRIER~~ CARRIER SHALL
21 DISCLOSE IN THE LIMITED BENEFIT HEALTH INSURANCE CONTRACT AND IN
22 MARKETING MATERIAL PROVIDED TO EACH QUALIFYING INDIVIDUAL THAT THE
23 LIMITED BENEFIT HEALTH INSURANCE CONTRACT DOES NOT PROVIDE
24 COMPREHENSIVE HEALTH COVERAGE OR ALL THE BENEFITS REQUIRED IN A
25 HEALTH INSURANCE CONTRACT ISSUED IN THE STATE THAT IS NOT A LIMITED
26 BENEFIT HEALTH INSURANCE CONTRACT.

27 (D) THE COMMISSIONER, IN CONSULTATION WITH INTERESTED
28 CARRIERS, SHALL SELECT NOT MORE THAN FOUR JURISDICTIONS OF THE
29 STATE FOR PARTICIPATION IN THE PILOT PROJECT.

30 SECTION 2. AND BE IT FURTHER ENACTED, That, subject to Section 4 of
31 this Act, on or before January 1, ~~2013~~ 2015, the Maryland Insurance Administration,
32 in consultation with a ~~nonprofit health service plan that issues~~ carriers that issue high
33 deductible health plans and limited benefit health insurance contracts under ~~§ 14-128~~
34 § 15-1107 of the Insurance Article, as enacted by Section 1 of this Act, shall report to

1 the Governor and, in accordance with § 2-1246 of the State Government Article, the
2 Senate Finance Committee and the House Health and Government Operations
3 Committee on:

4 (1) the number of individuals who receive health care coverage under
5 a plan or contract issued under ~~§ 14-128~~ § 15-1107 of the Insurance Article; and

6 (2) the potential to expand the pilot project established under this Act
7 to other jurisdictions of the State.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to all
9 high deductible health plans and all limited benefit health insurance contracts that
10 are issued or delivered by ~~a nonprofit health service plan~~ carriers in the State on or
11 after July 1, 2010.

12 SECTION 4. AND BE IT FURTHER ENACTED, That:

13 (a) The Maryland Insurance Administration shall monitor federal health
14 care reform legislation and, if federal legislation is enacted that requires guaranteed
15 issue of individual health benefit plans without medical underwriting to qualifying
16 individuals, as defined in § 15-1107 of the Insurance Article, as enacted by Section 1
17 of this Act, the Administration shall notify the Department of Legislative Services
18 within 10 days after the date the guaranteed issue requirement becomes effective.

19 (b) This Act shall be abrogated and of no further force and effect on the date
20 the Department receives notice from the Administration under subsection (a) of this
21 section.

22 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take
23 effect July 1, 2010. ~~It~~ Subject to Section 4 of this Act, it shall remain effective for a
24 period of ~~3~~ 5 years and, at the end of June 30, ~~2013~~ 2015, with no further action
25 required by the General Assembly, this Act shall be abrogated and of no further force
26 and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.